

April 19, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR APPROPRIATION ADJUSTMENTS TO VARIOUS BUDGET UNITS
(ALL DISTRICTS AFFECTED) (4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached appropriation adjustments necessary to realign and adjust the FY 2004-05 Budget based on changing financial needs for various County budget units.
2. Approve interim ordinance authority for the Probation Department in accordance with County Code Section 6.06.20 for twenty-seven (27) Deputy Probation Officer II (DPO) (8607A) positions and authorize the Department to fill three (3) Supervising DPO I (8610A) positions and twenty-seven (27) DPO II positions using the interim authority and existing unbudgeted ordinance authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In our County Budget Accountability memo to the Board dated December 16, 2003, we committed to improve the process of monitoring and reporting the budget status of each budget unit, which included making mid-year adjustments as necessary. Therefore, we are submitting mid-year budget adjustments to properly align and adjust the current year budget based on financial projections provided by the departments and concurred in by this office. As the fiscal year progresses, additional adjustments may be necessary to further refine the budget and reflect the changing financial needs of the departments.

The following explains the budget adjustments submitted for consideration based on information available at this time:

GENERAL FUND

Agricultural Commissioner/Weights and Measures

- Reflects transfer of \$7,000 from appropriation for contingency to the Agricultural Commissioner/Weights and Measures' fixed asset appropriation to finance the purchase of a portable storage van.

Community and Senior Services

- Reflects transfer of \$1.8 million from the \$2.5 million budgeted in Provisional Financing Uses to support the Los Angeles Homeless Authority and continuum of care for the homeless population to fund year-round homeless shelters in Los Angeles County.
- Reflects transfer of \$0.5 million appropriation, offsetting revenue, and 31.0 budgeted positions to the Department of Public Social Services to administer the Community Services Block Grant, Office of Traffic Safety, and refugee Employment programs, effective April 1, 2005.

Designations

- Reflects transfer of \$25.0 million from Appropriation for Contingency to designation to finance the budget and human resources modules of the eCAPS project. The eCAPS project will upgrade the County's primary financial system.
- Reflects a \$9.0 million designation for the County's share of the State food stamp error rate sanction, fully offset by an increase in Deed Transfer Tax revenue.

Mental Health

- Reflects the realignment of appropriation of \$13.5 million from projected savings in salaries and employee benefits to provide \$10.3 million in services and supplies and \$0.2 million in fixed assets to reflect departmental expenditure requirements. Also includes adjustments in revenues including Vehicle License Fee - Realignment revenue which will provide \$8.3 million in additional net County cost for this department as the revenue is reflected in a central budget entitled, Vehicle License Fee - Realignment.

Ombudsman

- Reflects transfer of \$0.03 million from appropriation for contingency to fund a color copier needed for publication of informational brochures and pamphlets.

Probation

- Reallocates savings of \$6.2 million from other charges to fund actual spending for salaries and employee benefits and services and supplies within the Detention and Residential Treatment budgets, and to fund purchase of equipment. The savings in other charges results from lower than anticipated Care of Court Wards expense for Youth Authority commitments of Probation youth.
- Increase salaries and employee benefits by \$1.8 million and services and supplies by \$0.4 million, offset with unanticipated revenue to partially restore curtailments to the School-Based Supervision Program and to offset the camp management over expenditures in the Residential Treatment Services Bureau.

Productivity Commission

- Reflects a \$4.0 million increase in Deed Transfer Tax revenue to finance a \$4.0 million increase in Productivity Commission grant and loan funding for departmental productivity programs.

Salaries and Employee Benefits

- Transfer net County cost of \$0.9 million from Nondepartmental Special Accounts to various General Fund departments for negotiated and salary and employee benefit increases approved by the Board after the adoption of the Final Budget.
- Transfer net County cost of \$15.5 million from Employee Benefits to various County departments to offset retirement costs in order to further reduce the County's reliance on the LACERA credit reserve.

Capital Projects:

- Transfer net County cost of \$38.4 million from appropriation for contingency to fund the following capital projects:

- **Coroner Medical Annex Building Refurbishment - C.P. No. 77354**
Approval of the recommended action will provide a \$12.0 million supplement to the existing Coroner Medical Annex Building Refurbishment Project. This project will remodel the existing medical autopsy and laboratory space to separate biologically clean and dirty areas, increase storage capacity, improve work flow circulation and ventilation, and provide a more appropriate functional configuration.
- **Hall of Administration Seismic Repair/Replacement Project - C.P. No. 69484**
Approval of the recommended action will establish \$20.0 million to fund design phase activities for a seismic repair/replacement study.
- **Probation Centinela Office Replacement Project - C.P. No. 69272**
Approval of the recommended action will provide a \$6.4 million supplement to the existing Centinela Office Replacement Project. The project will replace the Probation Department's Centinela field office, which is in disrepair, obsolete, and planned to be demolished, with a new 30,000 square foot building on the existing site.

SPECIAL FUNDS

Motor Vehicle Accumulated Capital Outlay (ACO) Fund

- Reflects transfer of \$1.7 million from appropriation for contingency to the Motor Vehicle ACO Fund to finance vehicle purchases for the following County departments: Board of Supervisor-Executive Office, \$0.1 million; District Attorney, \$0.9 million; Internal Services, \$0.4 million; and Animal Care and Control \$0.3 million.

SPECIAL DISTRICTS

Flood Control

- Reflects transfer of \$500,000 from services and supplies and lease payment - Alhambra Headquarters to fund the anticipated increase in the Flood Control Debt Service bond payment for the Headquarters seismic capital project.

Implementation of Strategic Plan Goals

These appropriation adjustments support the Board-approved County Strategic Plan goal of Fiscal Responsibility. The adjustments will allow proper alignment of the budget to the changing operational needs of County departments.

FISCAL IMPACT/FINANCING

No net County cost impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the attached budget adjustments would allow your Board to:

- Realign and appropriate funding to more accurately reflect the spending needs of departments based on the analysis by departments and this office using the most recent information available.
- Provide sufficient appropriation to continue necessary programs for public safety and community well-being.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:DIL
ES:JT:ljp

Attachments

c: County Counsel
Auditor-Controller
Department Heads